



CITY COUNCIL AGENDA REPORT

MEETING DATE: JUNE 16, 2009

ITEM NUMBER: VII-4b

SUBJECT: ADOPTION OF THE FISCAL YEAR 2009-2010 BUDGET

DATE: JUNE 11, 2009

FROM: FINANCE DEPARTMENT, ADMINISTRATION DIVISION

PRESENTATION BY: MARC R. PUCKETT, DIRECTOR OF FINANCE

FOR FURTHER INFORMATION CONTACT: BOBBY YOUNG AT (714) 754-5241

RECOMMENDED ACTION:

- 1) Adopt the attached Resolution Number 09-__ approving the Fiscal Year 2009-2010 Operating and Capital Improvement Budget.
- 2) Provide direction on the outstanding items as listed herein.

BACKGROUND:

Staff uses the Study Session to present to the City Council in more detail, the Proposed Operating & Capital Improvement Budget for Fiscal Year 2009-2010. The proposed budget is the City's preliminary spending plan for Fiscal Year 2009-2010.

ANALYSIS:

The total proposed appropriations for all funds are \$118,495,902. Compared to the Fiscal Year 2008-2009 adopted budget, the Fiscal Year 2009-2010 proposed budget represents a decrease of \$26.7 million or (18.37%), as shown in the following table. The proposed budget includes the operating and capital improvement budgets for the following funds: General Fund, Special Revenue, Capital Projects, and Internal Service Funds.

<u>PROPOSED BUDGET - ALL FUNDS</u>					
<u>Appropriations/ All Funds</u>	<u>Proposed FY 09-10</u>	<u>Adopted FY 08-09</u>	<u>Increase (Decrease)</u>		<u>Percent of Total</u>
			<u>Amount</u>	<u>Percent</u>	
Operating Budget	\$112,088,882	\$128,440,254	(\$16,351,372)	(12.73%)	94.59%
Transfers Out	1,543,000	5,565,200	(4,022,200)	(72.27%)	1.30%
Capital Budget	4,864,020	11,150,477	(6,286,457)	(56.38%)	4.11%
Total	<u>\$118,495,902</u>	<u>\$145,155,931</u>	<u>(\$26,660,029)</u>	<u>(18.37%)</u>	<u>100.00%</u>

The following table is a summary of the Fiscal Year 2009-2010 total appropriations by fund type for all funds, compared with the adopted budget for the current year:

Fund Type	Proposed FY 09-10	Adopted FY 08-09	Increase (Decrease)		Percent of Total
			Amount	Percent	
General Fund*	\$102,551,687	\$118,835,464	(\$16,283,777)	(13.70%)	86.55%
Special Revenue Funds*	6,012,796	7,797,753	(1,784,957)	(22.89%)	5.07%
Capital Projects Funds*	3,765,753	7,173,565	(3,407,812)	(47.50%)	3.18%
Internal Service Funds*	6,165,666	11,349,149	(5,183,483)	(45.67%)	5.20%
Total	<u>\$118,495,902</u>	<u>\$145,155,931</u>	<u>(\$26,660,029)</u>	<u>(18.37%)</u>	<u>100.00%</u>

* Includes transfers out

The following table illustrates the total estimated revenue, total appropriations, and total fund balances used for all funds. A total of \$4.1 million of available fund balances may be used to balance the budget for all funds. The negative \$745,112 "use of fund balances" listed under the "All Other Funds" column represents the net effect of both the use of fund balance by some funds and total resources exceeding total appropriations by other funds.

Description	General Fund	All Other Funds	Total
Estimated Revenue	\$96,962,588	\$15,939,327	\$112,901,915
Transfers In	793,000	750,000	1,543,000
Use of Fund Balances	4,796,099	(745,112)	4,050,987
Total Resources	<u>\$102,551,687</u>	<u>\$15,944,215</u>	<u>\$118,495,902</u>
Proposed Operating Budget	101,801,687	10,287,195	112,088,882
Proposed Capital Budget	-	4,864,020	4,864,020
Transfers Out	750,000	793,000	1,543,000
Total Appropriations	<u>\$102,551,687</u>	<u>\$15,944,215</u>	<u>\$118,495,902</u>

The Fiscal Year 2009-2010 proposed budget includes the use of fund balance by some funds including the General Fund. The estimated amounts of fund balances to be used by those funds are listed in the following table:

ESTIMATED FUND BALANCES TO BE USED	
Fund	Amount
General Fund	\$ 4,796,099
HOME Program Fund	19,803
Community Development Block Grant Fund	49,333
Supplemental Law Enforcement Fund	6,040
Capital Improvement Fund	51,020
Measure M Fund	845,517
Total use of fund balances	<u>\$ 5,767,812</u>

ALTERNATIVES CONSIDERED

The State Government Code requires the annual budget to be adopted prior to the beginning of the fiscal year, which is July 1. Therefore, no alternatives were considered.

FISCAL REVIEW

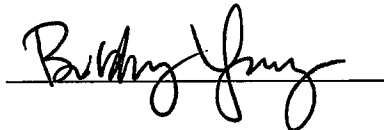
The proposed budget, as presented, provides for adequate resources to fund the total proposed appropriations and maintains the City's current General Fund Operating Reserve at \$14.125 million.

LEGAL REVIEW

The City Attorney has reviewed and approved the attached resolution as to form.

CONCLUSION:

The proposed budget continues to provide an outstanding level of service and is balanced within existing resources including the use of fund balance for some funds. Staff is available to answer any questions you may have about the Fiscal Year 2009-2010 proposed budget at your convenience.



BOBBY YOUNG
Budget & Research Officer



MARC R. PUCKETT
Director of Finance

Attachment 1: Resolution Adopting the Budget for FY 09-10

Attachment 2: Reconciliation of Changes to the Proposed Budget for FY 09-10

RESOLUTION NO. 09-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF COSTA MESA, CALIFORNIA, ADOPTING A BUDGET
FOR THE FISCAL YEAR 2009-2010.

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY
RESOLVE AS FOLLOWS:

WHEREAS, the Proposed Budget for Fiscal Year 2009-2010 year has been
prepared in compliance with Section 2-153 of the Costa Mesa Municipal Code.

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1: The annual budget for the City of Costa Mesa for the Fiscal Year
beginning July 1, 2009 and ending June 30, 2010 is hereby adopted as set forth in the
Proposed 2009-2010 Budget.

PASSED AND ADOPTED this 16th day of June, 2009.

Allan R. Mansoor, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie Folcik, City Clerk

Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, JULIE FOLCIK, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 09-____ and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 16th day of June, 2009, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 17th day of June, 2009.

JULIE FOLCIK, CITY CLERK

(SEAL)

CITY OF COSTA MESA
ADJUSTMENTS TO THE FY 09-10 PROPOSED BUDGET

DEPARTMENT	AMOUNT	COMMENTS
<u>Budget Adjustment</u>		
Police Department	56,388	Alcohol Beverage Control Grant
City Attorney	(32,250)	Reductions made to line item budget
Total	\$ 24,138	
<u>Funding Sources:</u>		
General Fund	\$ 24,138	
Total	\$ 24,138	
<u>Account Distribution</u>		
Overtime	\$ 56,388	501400-101-15300-10111
Stationery and Office	(500)	510100-101-12100-50320
Multi-Media, Promos, Subscript.	(500)	510200-101-12100-50320
Meetings and Conferences	(1,000)	520500-101-12100-50320
Office Equipment	(150)	525700-101-12100-50320
Central Services	(100)	535800-101-12100-50320
Consulting	(30,000)	530200-101-12100-50320
Total	\$ 24,138	
<u>RECAP:</u>		
Total Proposed Budget for All Funds	\$ 118,471,764	
Adjustments	24,138	
Revised Proposed Budget	\$ 118,495,902	